Testing Your Assumptions Assignment

Project position statement

For [recruiters] who [need to quickly find valuable candidates], the [SmartConnect] is an [Artificial Intelligence recommender system] that [allows them to focus on the most suitable candidates from all CVs which were sent for a particular job ad]. Unlike [manually reviewing all CVs], our product [saves their time as it shows them people who are the best fit].

Core/summary value hypothesis

[Dorothy the Recruiter] has [a problem with finding right candidates] where she's currently [reviewing and manually assessing all CVs] and if we [offer her a contact to short-listed candidates who meet her criteria] she will [buy it and use it for the recruitment processes].

[**SmartConnect**]

What assumption will this test?	If we [offer a short-list of candidates who meet a job ad requirements] for [Dorothy The Recruiter] then [she will want to buy it and use it for the recruitment process].
How will we test it?	We'll run 'Wizard of Oz' experiment. We'll approach potential customers and offer them our solution. If they agree we would ask for an access to their CVs and promise to return results within 24 hours. A short-list would be prepared by us manually, with support of a professional recruiters hired by us for this purpose. When recruiters see the results, we'd ask them whether they want to use it in the future for 20$ per recruitment process.
What is/are the pivotal metric(s)?	1. At least 40% of potential customers to whom we presented the system, agreed to use the service. 2. At least 80% of recruiters who saw the results wanted to use the system in their future recruitments. 3. At least 80% of those who wanted to use the system again were willing to pay at least 20$ per recruitment process.
What is the threshold for true (validated) vs. false (invalidated)?	For test #1: • Validated (true) – if at least 40% agrees to use the service • Invalidated (false) – if less than 10% agrees to use the service, than pivot. For test #2: • Validated (true) – if at least 80% agrees to use the service • Invalidated (false) – if less than 40% agrees to use the service, than pivot. For test #3: • Validated (true) – if at least 80% agrees to use the service • Invalidated (false) – if less than 40% agrees to use the service, than we test

	different price ranges.
What will you do next if the result is true? False?	If all three test validated, we will proceed with building version 1.0 of a system, limited to IT industry (so we limit costs of development and learn in cycles). If only test #1 and #2 is validated, then we proceed as well but additionally we run another tests with different price ranges. If no tests pass, we'll review the persona, problem & value propositions. An example of a pivot would be to offer this as an add-on to Applicant Tracking Systems (different persona, same problem & value).
How much time, money will it take to set up?	To set up the experiment we'd invest: • $20 and 8 working hours to prepare marketing materials (Team Member #1) • $20 and 8 working hours to schedule appointments with at least 10 potential customers (Team Member #1) • $50 and 24 working hours to pitch our idea and sell it to potential customers (Team Member #1 and Team Member #2) • $10 and 8 working hours to find recruiters who would actually review the CVs on our behalf (Hired Recruiters). To summarize, it would take $100 to set up the experiment and 48 working hours (6 working days) for 2 team members. If it costs more than $200 or takes more than 10 working days, I'd review the test plan.
Roughly, what will it take for each individual test?	To run the tests, it will take: • $300 and 40 working hours to manually review CVs (by hired recruiters) • 10 working hours to double-check and review results of the results (Team Member #1 and Team Member #2). • $30 and 20 working hours to review results with customers and get their feedback Tests would be run at the same time so the cost is the same. In total it would cost $330 and would take 70 working hours (9 working days) for 2 team members and hired external recruiters. If it costs more than $500 or takes more than 15 working days, I'd review the test plan.
Roughly, how long will it take for each test to run and produce definitive, actionable results?	I expect to run the whole experiment (all 3 tests) within 5 weeks' time: • I would need 118 working hours (approx. 3 weeks) to do the actual work (set up and run the experiments) • Another 2 weeks are a backup time for unforeseen work, for example waiting couple of days for a meeting, waiting for CVs, etc. After 5 weeks' time I expect to have final results of all tests and decision what to do next (proceed or pivot).